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June 29, 2017

Hon. Louis A. Scarcella
United States Bankruptcy Court
Eastern District of New York
Alfonse M. D'Amato Federal Courthouse
290 Federal Plaza
Central Islip, New York 11722

Re: Adversary Proceeding No. 8-15-08163-las Michaels Electrical Supply Corp. v Javier Castagnola

Dear Judge Scarcella:

I am the attorney representing Michaels Electrical Supply Corp in the above referenced action. This letter has been prepared by both parties.

Description of the Adversary Complaint

Michaels Electrical Supply Corp. filed the complaint against defendant, who is an electrician who utilized Michaels for electrical supplies in relation to a number of construction jobs. Michaels seeks to recover trust funds diverted by defendant in contradiction of the provisions of the New York Lien Law. Michaels' complaint alleges that defendant knowingly and intentionally utilized trust funds for which Michaels is a legal beneficiary, and that the debt arising from the diversion of said funds amounts to defalcation and should be declared non-dischargeable, and Michaels be allowed to collect all funds so diverted by defendant.

Description of Defendant's Position

Michaels Electrical has no claim recognizable in bankruptcy

Contemplated Motions

No party is contemplating filing any motions in this action at this time.

Brief Description of Any Discovery that has Taken Place

No formal discovery has occurred with respect to this Adversary Proceeding.

Settlement Possibilities

As of the writing of this letter, settlement appears to be unlikely.

Sincerely,

s/ Tim LeFebvre

Tim LeFebvre, Esq.

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